

# COLLECTION AND PAYMENT OF FEES AND PENALTIES

## *VEHICLE INDUSTRY REGISTRATION PROCEDURES*

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## *Collection and Payment of Fees and Penalties*

### **3.000 Payment of Fees (CVC §§ 4.000, 5902.5, 9550, 9553)**

Vehicles operated or parked on public roads or in an off-street public parking facility in California must be registered.

**EXCEPTION:** An off-highway motor vehicle (OHV) which displays an OHV identification plate may be driven, moved, or left standing in an off-street parking facility without being registered or paying registration fees.

- All fees required to be paid for original registration of a vehicle **must** be paid within **20** days of the date the fees became due or the fees are subject to a late penalty. Refer to section 3.070 for penalty exceptions.
- California dealers have **30** days from the date of sale on the *Report of Sale—Used Vehicle* (REG 51) to submit fees without penalty.
- Any application for registration **presented within 30 days** of the registration expiration date **must** include the renewal fees in addition to any other fees due, regardless of the date the vehicle is sold.

### **3.005 Dealer Responsibility for Fee Collection (CVC § 11713.4)**

Dealers and lessor-retailers are responsible for itemizing and collecting the proper fee amounts from the buyer and dispersing the fees to the proper agency.  
(CC §2982[a, 2])

- Buyers **cannot** be charged more than the amount required to complete the registration transaction.
- Buyers may be charged all fees due the department including fees for duplicates/substitutes and fees/penalties that accrued prior to the vehicle entering the dealer inventory **unless** those fees/penalties accrued through untimely submission of fees and/or documents by the dealer.
- Fees paid by a dealer to avoid penalties may usually be charged to the buyer.
- Fees collected by the dealer in excess of the amount required to register/transfer the vehicle must be refunded to the purchaser, whether or not requested by the purchaser.

**NOTE:** Administrative Service Fees **cannot** be charged to the buyer.

### **3.010 Dealer's Document Preparation Service Fee (CVC §11713.1)**

Dealers may charge buyers a document preparation service fee **not** to exceed \$55.

This fee is not required or collected by the department and it is unlawful to represent this charge as a governmental fee.

### **3.015 Smog Certification Fee (CVC §11713.1 and H&SC §44060)**

Dealers may charge buyers a fee **not** to exceed \$50 for emission testing *plus* the actual fee charged for issuance of the smog certification.

**3.020 Computation of Fees and Penalties (CVC §9559)**

No single fee or penalty shall be less than \$1. When any registration fee, weight fee, or penalty computation results in a fraction of a dollar and the odd-cents amount is:

- \$0.49 or less, round down the full dollar (e.g., \$22.35 = \$22).
- \$0.50 to \$0.99, the fee increases to the next full dollar (e.g., \$22.60 = \$23).

**3.025 Statute of Limitation (CVC §9800)**

The department's lien for renewal, transfer, use tax, parking violations, or other fees due expires three years from the date the fee(s) first became due, unless the lien is perfected. (CVC §9800[d])

- Continued use of a vehicle beyond the registration expiration date **does not** extend the statute of limitation date.
- Fees deposited during the three-year period must be used for the year represented and cannot be used for any subsequent year.
- To determine the date that the department's lien expires, subtract three years from the date of the application.

— Any fees which became due prior to that date **cannot** be collected because the department's lien has expired, unless the lien has been perfected.

**Example:** On applications presented 06/22/2009, fees due prior to 06/22/2006 **cannot** be collected. However, if fees were deposited for the prior year(s), the fees cannot be refunded or used for any subsequent year.

**Perfected Lien (CVC §9800d)**

A lien is perfected when notice is mailed to the registered and legal owners of record and recorded on the vehicle record(s).

It expires five years from the date of perfection.

**3.030 Determination of Penalty Due Dates**

Use the Table of Penalty Dates appendix, Appendix 1D, to determine if registration or transfer penalties are due.

- When determining if a transfer penalty is due, the date of transfer is considered to be the day the transferee receives the properly endorsed Certificate of Title from the previous owner.
- For dealer transactions, the transfer date is the date the purchaser took possession of the vehicle from the dealer.
- When computing any penalty period, always use the same formula reflected in the Table of Penalty Dates and **do not** count the first day.

**IMPORTANT:** The penalty-free period is extended to include the next business day when the last penalty-free day is a Saturday, Sunday, or state holiday.

**3.030 Determination of Penalty Due Dates, *continued***

Dealer violations for timely submission of applications may also be determined by this chart. Locate the date of sale in Column 1 and:

- **New Vehicles**—Column 4 (20 days) and Column 6 (40 days).
- **Used Vehicles**—Column 5 (30 days) and Column 7 (50 days).

**NOTE:** When the title for a vehicle is held by DMV on the actual date of sale, the 20-day period starts the date the Certificate of Title is issued by DMV.

**3.040 General Information for Registration Fees Collected on Most Vehicles**

To register a vehicle in California, certain basic fees are collected, based on the type of vehicle, the county of residence, and the type of transaction.

Other miscellaneous fees may also be due, based on the type vehicle and type transaction.

**3.045 Registration Fee (CVC § 9250, 9250.1, 9400.1)**

- The registration fee is collected on original and renewal of every vehicle and trailer coach subject to registration
- The fee is not collected on Off-highway Vehicles or PTI trailers
- A CVRA registration fee is collected **in addition** to the regular registration fee on commercial vehicles subject to CVRA fees
- The registration fee is subject to a penalty based on the date the fee was paid. See section 3.075.

**3.050 CHP Fee (CVC §§9250.13, 9250.8)**

- A CHP fee is collected each time a Registration Fee is collected
- CVRA vehicles pay a higher CHP fee than other vehicles
- CHP fee, including CVRA CHP fee, is subject to a penalty based on the date the fee was paid. See section 3.075.

**3.055 Vehicle License Fee (VLF) (R&TC §§10751-10753)**

- The Vehicle License Fee (VLF), equal to 1.15 percent of the market value of the vehicle, is collected upon original registration and registration renewal for automobiles, motorcycles, trailer coaches, park trailers, and commercial vehicles with a declared gross operating weight under 10,001 pounds.
  - The VLF for these vehicles for any fees due prior to 5/19/2009 is .65 percent of the market value of the vehicle.
- The VLF for commercial vehicles with a declared gross vehicle weight or combined gross vehicle weight over 10,001 pounds, and is equal to .65 percent of the market value.
  - See section 3.055 for exceptions/modifications to the VLF.

**3.055 Vehicle License Fee (VLF) (R&TC §§10751-10753), *continued***

- The VLF is subject to a penalty based on the date the fee was paid. See section 3.075.
- The market value of a vehicle is depreciated for each registration year of its life in accordance with the eleven year depreciation schedule, beginning with the first year as a new vehicle or first classification year for VLF purposes.

<b>Exception:</b> Park Trailers have an 18-year depreciation schedule.
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Follow the chart to determine purchase price/market value:

<i>Step</i>	<i>Action</i>
1	<p>The market value is determined by the cost to the consumer when the vehicle is sold new or the year the vehicle was transferred to the current owner.</p> <p>The cost price:</p> <ul style="list-style-type: none"> <li>• <b>Includes</b> the full purchase price of the vehicle, including accessories or modifications made by the seller. <ul style="list-style-type: none"> <li>— The value of a trade-in, rebate, or exchange of a vehicle is not deducted from the purchase price.</li> </ul> </li> <li>• <b>Does not</b> include any tax, smog certification costs, documentary preparation fees, license fees, and/or finance charges</li> <li>• Is based on the cost price to the dealer for a new or nonresident vehicle registered to the dealer.</li> <li>• <b>Does not</b> include the vehicle modifications necessary to enable a disabled person to use or operate a vehicle. <ul style="list-style-type: none"> <li>— Applications for registration of these modified vehicles must include evidence of the cost of the vehicle and a bill of sale or invoice identifying the modifications and costs.</li> </ul> </li> </ul>
2	<ul style="list-style-type: none"> <li>• Include the federal excise tax (FET) in the cost price upon the first retail sale of a truck or a truck chassis with a Gross Vehicle Weight (GVW) of 33,001 pounds or more.</li> <li>• The FET is not included for sales or use tax purposes.</li> </ul>
3	<p>When an incomplete new commercial vehicle to be altered or modified before registration is sold and delivered to the buyer, enter the cost of the cab and chassis or chassis <b>only</b> on the <i>Application for Registration of New Vehicle</i> (REG 397).</p>

**3.055 Vehicle License Fee (VLF) (R&TC §§10751-10753), *continued*****Year Sold vs. Asterisk Year**

There are two different “years” assigned to a vehicle which are used when determining VLF:

- **Year First Sold**—usually the year in which the vehicle was first sold as a new vehicle.
  - This designated year is used to determine the VLF depreciation starting point, and is used each year until the vehicle is resold or otherwise reclassified.
- **Asterisk Year**—usually the year when a vehicle is transferred to a new owner, **or** a nonresident purchased the vehicle, **or** an alteration places the vehicle in a different class.
  - An asterisk year can also be assigned when a commercial vehicle is purchased new in December in order to implement the correct depreciation schedule.

**EXCEPTIONS:** An asterisk year is not assigned on:

- Transfer of a leased vehicle from the lessor to the lessee.
- Transfer of a repossessed vehicle to the reposessor.
- Transfers between certain family members who are exempt from use tax.
- Transfer of a vehicle to the insurance company after a total loss settlement.
- Vehicles being junked.

**NOTE:** The year model is never used to determine VLF.

**VLF Class**

- The VLF class is a two letter (alpha) code based on the purchase price or current market value.
- The class is established when the vehicle is sold new or first registered in California and is usually changed when a vehicle is transferred or modified as to require reclassification.
- The assigned VLF classification and the year first sold or the asterisk year (\*YR), if present, are used to determine the VLF.

**Vehicle License Fee Rate Tables**

- The department publishes three Vehicle License Fee Rate Tables:
  - *1.15% Vehicle License Fee Rate Table (REG 365)* for all vehicles except CVRA vehicles.

**3.055 Vehicle License Fee (VLF) (R&TC §§10751-10753), *continued*****Vehicle License Fee Rate Tables, *continued***

- *.65% Vehicle License Fee Rate Table (REG 360)* for CVRA vehicles (or for all vehicles where fees were due prior to 5/19/09).
- *1.15% Vehicle License Fee Rate Table Park Trailers (REG 364)* for Park Trailers Only.
- Both list the VLF classifications and the corresponding fees.
- You may access the charts on the DMV internet website at **www.dmv.ca.gov** under Industry Tools, or obtain a copy of the REG 360, REG 364, or the REG 365 by submitting a **written** request to:

Department of Motor Vehicles  
Materials Management Section  
Inventory Control Operations  
4201 Sierra Point Drive, Suite 112  
Sacramento, CA 95834-7900  
FAX Number: (916) 928-7900

Call (916) 928-7901 if you have a question about your order.

**Determining the Vehicle License Fee Amount**

- Determine the amount of the VLF by using the:
  - *1.15% Vehicle License Fee Rate Table (REG 365)* for vehicles except CVRA vehicles.
  - *.65% Vehicle License Fee Rate Table (REG 360)* for CVRA vehicles (or for all vehicles where fees were due prior to 5/19/09).
  - *1.15% Vehicle License Fee Rate Table Park Trailers (REG 364)* for Park Trailers Only (for all park trailers where fees become due 5/19/09 or later).
- *One or more* of the following are required:
  - Purchase price or current market value
  - Year first sold or asterisk year
  - VLF class currently shown on the California title

**NOTE:** The online Vehicle Registration Fee Calculator at **dmv.ca.gov** can be used to obtain an estimate of all registration fees due for new and non-resident vehicles or the amount of VLF paid in a prior year for tax purposes.

**3.055 Vehicle License Fee (VLF) (R&TC §§10751-10753), *continued*****New vehicle or nonresident vehicle being sold to a new owner**

The VLF will be calculated using the *purchase price or current market value*.

- Locate the cost price of the vehicle in the far left column.

**For example:** \$12,479 is within the bracket \$12,400 – \$12,599.99 and is assigned the VLF Class “CX.”

- Collect the fee shown in the *first* column.

**For the above example**, using the:

— REG 365 (for all vehicles except a CVRA vehicle or park trailer), the VLF would be \$144;

— REG 360 (for CVRA vehicles or for all vehicles with fees due prior to 5/19/09), the VLF would be \$81;

— REG 364 (for park trailers) the VLF would be \$122.

**Nonresident vehicle being registered in California by the owner who purchased the vehicle out of California**

The VLF will be determined by the *purchase price* and the *year the owner purchased the vehicle*.

- Locate the cost price of the vehicle in the far left column.

**For example:** \$12,479 is within the bracket \$12,400 – \$12,599.99 and is assigned the VLF Class “CX.”

- Using the first column as the *current* year, count back to the year the vehicle was purchased by the owner.

**For example:** If the owner purchased the vehicle two years prior, start with the first column as the current year, count back (to the right) two columns to that year.

- Collect the fee shown in the third column.

**For example:** Using the:

— REG 365 (for all vehicles except a CVRA vehicle or park trailer), the VLF would be \$115;

— REG 360 (for CVRA vehicles or for all vehicles with fees due prior to 5/19/09), the VLF would be \$65.

— REG 364 (for Park Trailers) the VLF would be \$79.



**3.055 Vehicle License Fee (VLF) (R&TC §§10751-10753), *continued*****California registered vehicle transferred to a new owner *prior* to the expiration date**

The VLF will be determined by the *current purchase price* or *market value*

- Locate the cost price of the vehicle in the far left column.

**For example:** \$13,479 is within the bracket \$13,400 – \$13,599.99 and is assigned the VLF Class “DC.”

- Collect the fee shown in the *first* column.

**For example:** Using the:

— REG 365 (for all vehicles except a CVRA vehicle or park trailer), the VLF would be \$155;

— REG 360 (for CVRA vehicles or for all vehicles with fees due prior to 5/19/09), the VLF would be \$88.

— REG 364 (for Park Trailers) the VLF would be \$132.

**California registered vehicle transferred to a new owner *after* the expiration date**

The VLF will be determined by the *current VLF class and year sold or \*YR, regardless of the purchase price of the new owner.*

- Locate the current VLF class of the vehicle in the far left column.
- Locate the year sold, or \*YR, if present.
  - Using the *first* column as the *expiration* year, count back (to the right) to the appropriate year for the \*YR, or if none present, the year sold.

**For example:** If the \*YR of the vehicle is two years prior, start with the first column as the current year, count back (to the right) two columns to that year.

- Collect the fee shown in that column.

**For example:** If the VLF class was “CV”, using the:

— REG 365 (for all vehicles except a CVRA vehicle or park trailer), the VLF would be \$111;

— REG 360 (for CVRA vehicles or for all vehicles with fees due prior to 5/19/09), the VLF would be \$63;

— REG 364 (for park trailers) the VLF would be \$77.

**MA Class Vehicles**

Vehicles with a purchase price of \$96,400 or more are assigned an “MA” vehicle license fee (VLF) classification.

- The VLF due for these vehicles varies based on the *actual selling price* for the vehicle.

**3.055 Vehicle License Fee (VLF) (R&TC §§10751-10753), *continued*****MA Class Vehicles, *continued***

- The VLF is calculated programmatically.
- Direct any questions to the CPD Help Desk at (916) 657-6567.

**Modified/Exempt VLF**

The following are assessed a modified VLF or are exempt from VLF:

- **California Indian Tribes/Tribal Members Vehicles**—the VLF is *exempt* when an Indian Certification is submitted with the application.  
— See Chapter 6, New Vehicles sold by California Dealer for further information.
- **Federally-Recognized Indian Tribe Vehicles (CVC §9104.5 and R&TC §10781.1)**—the VLF, and all other fees, are *exempt* when an Indian Certification is submitted with the application.  
— See Chapter 6, New Vehicles sold by California Dealer for further information.
- **Historical Vehicles (CVC §5004 and R&TC §10753.5)**qualified vehicles assigned Historical Vehicle or Horseless Carriage plates are subject to a VLF of \$2 each year. See Chapter 21, Special Plates, for more information.
- **Nonresident Military (NRM) Personnel Vehicles**—qualified nonresident military are *exempt* from the VLF when a *Nonresident Military Exemption Statement* (REG 5045) is submitted with the application.
- **Specialized Transportation Vehicles**—a specialized transportation vehicle is *exempt* from VLF when a *Certificate of Exemption for Specialized Transportation Vehicle* (REG 345) is submitted with the application.

**3.060 City and County Fees**

- Various fees are collected with the registration fees for cities and counties that have adopted resolutions to impose such fees.  
— See Appendix 1A for fees for each county/city
- Fee assessment is based on the registered owner's county or city of residence and is collected whenever a registration fee is collected.
- County fees for CVRA vehicles are higher than other vehicles.  
— See Appendix 1A.
- No penalties are charged for the city and county fees

**3.065 Weight Fees**

Weight fees are collected on commercial vehicles in addition to the other fees due for registration.

- Weight fees for vehicles operated **under** 10,001 pounds gross and for pickups are determined by the number of axles and *unladen* weight.  
— See Appendix 1F.
- Weight fees for vehicles operated **over** 10,001 pounds gross are determined by the declared Gross Vehicle Weight (GVW) or Combined Gross Vehicle Weight (CGVW) as shown on the REG 4008.  
— See Appendix 1F.
- Weight fees are subject to penalties based on the date fees are paid.

**Weight fee Exemptions**

The following commercially-designed vehicles are ***exempt from weight fees***.

- Three-axle motor vehicles weighing less than 2,000 pounds unladen. (CVC §9400c)
- Agricultural water-well boring rigs. (CVC §9405)
- Vehicles operated in accordance with a permit issued by this department.
- Nonresident vehicles operated in accordance with reciprocity agreements.
- Forklift trucks that are moved unladen over the highways. (CVC §9409)
- Commercial-type motor vehicles **manufactured in 1936 or prior**. (CVC §9401[a])
- A weight fee is due if commercial plates are requested for the vehicle. (CVC §9401[b])
- Any vehicle operated or moved over the highway exclusively for the purpose of historical exhibition or other similar noncommercial purpose. (CVC §9400)
- A commercial vehicle with an unladen weight of 8,000 lbs. or less which is registered to a disabled person and displays Disabled Person (DP) license plates. (CVC §9410)

The following vehicles ***are not subject to weight fees and are issued passenger plates***. (CVC §9107)

A *Statement of Facts* (REG 256) describing the use of the vehicle **must be** included with any application for registration or registration renewal of these vehicles.

- Vanpool vehicles as defined in CVC §668.
- Vehicles operated by a passenger stage corporation as defined in *Public Utilities Code* (PUC) §226, when the:
  - vehicle is operated exclusively on any line(s) having a one-way route mileage not exceeding 15 miles in either urban or suburban areas or between cities in close proximity or between nonadjacent urban or suburban areas or cities; the area between which is substantially residential, commercial, or industrial as distinguished from rural, **and**
  - principal business of the corporation is the operation of vehicles on a route or routes as defined above

3.065 Weight Fees, *continued*Weight fee Exemptions, *continued*

- Any vehicle operated exclusively on any line or lines within the limits of a single city by a person engaged as a common carrier of passengers between a fixed terminus or over a regular route, 98 percent of whose operations are exclusively within the limits of a single city, and who by reason thereof is not a passenger stage corporation subject to the jurisdiction of the PUC.
- Any vehicle purchased with federal funds under the authority of Section 1612 of Title 49 of the *United States Code* or Chapter 35 (commencing with §3001) of Title 42 of the *United States Code* for the purpose of providing specialized transportation services to senior citizens and handicapped persons, by public and private nonprofit operators of specialized transportation service agencies.

## 3.070 Penalties (CVC §§9552–9554.5 and 9561 and R&amp;TC §10854)

- A late penalty is assessed whenever fees **are** due and **not** paid as required.
- The penalty is assessed at a rate based on the extent of the delinquency.

## Exceptions

A penalty **is not** assessed in the following situations:

- When the fees for an application for *original* California registration are paid within **20** days of the date fees become due.
- When a California dealer or lessor-retailer submits the fees and application for registration or transfer of a *used* vehicle within **30** days from the date of sale. (CVC §9553c,1)
  - This **includes** nonresident vehicles and vehicles where the registration expires while in the dealer inventory.
- When a transferee acquires a vehicle and the registration subsequently expires, **and** the transferee pays the renewal fees within **20** days from the transfer date.
- When a legal owner or its agent repossesses a vehicle **and all** renewal fees due are paid within **60** days of the repossession date.
- When a repossessed vehicle is sold through a motor vehicle auction dealer **and all** renewal fees due are paid within **60** days of sale at auction.
- When a garage or storage facility keeper establishes a lien against a vehicle and the registration expires while in the garage/storage facility keeper's possession.
- When a *Certificate of Non-Operation* (REG 102) is acceptable **and** renewal fees are paid **on or before** the date of first operation of the vehicle.
- When the registration expiration date or the last penalty-free date falls on a Saturday, Sunday, or state holiday, **and** the fees are paid on the next business day.

**3.075 Calculating Penalties**

The penalty structure for renewal or original registration separates the registration fee from the vehicle license fee (VLF) and any weight fee due.

- A flat penalty is assessed on the registration fee and CHP fee, *and*
- the penalty on the VLF and weight fee is a percentage of its total.

**Original Applications**

For late *original* applications, calculate the penalties as follows:

**Penalties for Late Original Applications**

<i>If the payment is late:</i>	<i>the penalty will be the sum of:</i>
one year or less	<ul style="list-style-type: none"> <li>• \$30 registration fee penalty.</li> <li>• \$30 CHP fee</li> <li>• 40% of the VLF due for that year</li> <li>• 40% of the weight fee due for that year, if any</li> </ul>
more than one year to (and including) two years	<ul style="list-style-type: none"> <li>• \$50 registration fee penalty</li> <li>• \$50 CHP penalty</li> <li>• 80% of the VLF due for that year</li> <li>• 80% of the weight fee due for that year, if any</li> </ul>
more than two years	<ul style="list-style-type: none"> <li>• \$100 registration fee penalty.</li> <li>• \$100 CHP penalty</li> <li>• 160% of the VLF due for that year</li> <li>• 160% of the weight fee due for that year, if any</li> </ul>

**Renewal Applications**

For late *renewal* applications, calculate the penalties as follows:

**Penalties for Late Renewal Applications**

<i>If the payment is late:</i>	<i>the penalty is the sum of:</i>
1 to 10 days*	<ul style="list-style-type: none"> <li>• \$10 registration fee penalty.</li> <li>• \$10 CHP penalty</li> <li>• 10% of the VLF due for that year</li> <li>• 10% of the weight Fee due for that year, if any</li> </ul>

## Penalties for Late Renewal Applications (continued)

<i>If the payment is late:</i>	<i>the penalty is the sum of:</i>
11 to 30 days*	<ul style="list-style-type: none"> <li>• \$15 registration fee penalty</li> <li>• \$15 CHP penalty</li> <li>• 20% of the VLF due for that year.</li> <li>• 20% of the weight fee due for that year, if any</li> </ul>
31 days to (and including) one year*	<ul style="list-style-type: none"> <li>• \$30 registration fee penalty.</li> <li>• \$30 CHP penalty</li> <li>• 60% of the VLF due for that year</li> <li>• 60% of the weight fee, due for that year, if any</li> </ul>
more than one year to (and including) two years	<ul style="list-style-type: none"> <li>• \$50 registration fee penalty</li> <li>• \$50 CHP penalty</li> <li>• 80% of the VLF due for that year</li> <li>• 80% of the weight fee due for that year, if any</li> </ul>
more than two years	<ul style="list-style-type: none"> <li>• \$100 registration fee penalty</li> <li>• \$100 CHP penalty</li> <li>• 160% of the VLF due for that year</li> <li>• 160% of the weight fee due for that year, if any</li> </ul>

**NOTE:** \*The 10% and 20% penalty rates apply only to vehicles with PNO status or continuously registered (in other words, just expired).

## PNO Penalties (CVC §4604.5)

- A *Planned Non-Operation* (PNO–REG 102) may be filed up to 90 days after the registration expiration date if the vehicle was not operated in any manner.
- Appropriate late penalties are due as shown above, *in addition* to the PNO filing fee.

## Certificate of Non-Operation (CNO) REG 102

A CNO generally **is not** accepted for waiver of penalties and **does not** affect the penalty rate.

Refer to Section 3.090 for CNO information.

**3.075 Calculating Penalties, *continued*****Transfers**

- A transfer penalty is charged on the 31st day after the date of sale.
- On multiple transfers, a penalty is charged only on the last transfer.

**NOTE:** Applications presented within 30 days of the registration expiration date **must** include the renewal fees.

**3.080 Waiver of Fees and/or Penalties (CVC §9562)**

The conditions under which fees and/or penalties may be waived are specific as explained in this section.

**Transfer Applications**

- **Penalties (only)** may be waived upon payment of the registration fees due when the department determines that the penalties accrued **prior to** the date the transferee (including a dealer) purchased the vehicle **and** the transferee was not aware that the fees for the current or prior registration years were unpaid and due. (CVC §9562a)
- **Registration fees and penalties** may be waived **only** when the department determines that the registration fees became due **prior to** the transferee's (including a dealer) purchase date **and** the transferee was not aware that the fees were unpaid and due.
  - The license plate assigned to the vehicle **must display** a valid year sticker issued by the department that matches the year for which the transferee is requesting a waiver of fees and penalties. (CVC §9562c)
  - A *Statement of Facts* (REG 256) stating that the transferee was not aware the fees were unpaid and due, and giving the sticker number on the license plate, **must be** submitted with the application.

**Other Applications**

- **Penalties (only)**—May be waived upon payment of the registration fees due when the department determines that the penalties accrued through no fault or intent of the owner. (CVC §9562b)
- **Registration fees and penalties**—May be waived **only** when the department determines the registration fees became due **prior to** the applicant's purchase/transfer date **and** the license plate assigned to the vehicle displays a current validation sticker which matches the year for which fees are in question.
  - The transfer fee and any other fees due **must be** paid. If a current validation sticker is not displayed on the license plate, all registration fees due **must be** paid and **only** the penalties may be waived.

**3.080 Waiver of Fees and/or Penalties (CVC §9562), *continued***

- A *Statement of Facts* (REG 256) stating the sticker number on the license plate and that the applicant/dealer was not aware of any unpaid fees and penalties **must be** submitted with the application.

**Waiver of Penalties on Vehicles Sold at Wholesale Auction (CVC §9561.5)**

The department shall waive any penalties due for late payment of registration renewal fees on a vehicle if all of the following criteria are met:

- The vehicle is sold through a dealer conducting a wholesale motor vehicle auction as provided in *Vehicle Code* §4456(b).
  - Immediately prior to the sale the vehicle was registered as a leased vehicle.
  - Delivery of the vehicle to the dealer conducting the wholesale motor vehicle auction is not later than 25 days after the termination of the lease.
  - The date of termination of the lease and the date of delivery to the auction is reported on the application for registration or transfer and registration.
- This may be done on a *Statement of Facts* (REG 256) submitted with the application.

**Stolen or Embezzled Vehicles (CVC §4605; R&TC §10858)**

Fees or penalties do not accrue as a result of operation of the stolen/embezzled vehicle. The department may waive the renewal fees and penalties as follows:

- When the stolen or embezzled vehicle is subsequently recovered by the owner **and** the vehicle **was not** operated between the date the registration expired and the theft/embezzlement date.
  - The current renewal fees become due upon return of the stolen/embezzled vehicle to the owner's possession and those fees or a PNO must be filed within **20** days of that date.
  - A *Stolen or Embezzled Vehicle Certification* (REG 256A) must be submitted with the application.
- When an application for "title only" of an unrecovered stolen or embezzled **new** (unregistered) vehicle is presented.
- When an application for a "transfer only" of an unrecovered stolen or embezzled **used** vehicle is presented.

**Deployed Military (CVC §9560)**

- Penalties **only** shall be waived for late renewal for any period during which the registered owner was *deployed to a location outside California*. Deployment **does not** include:
  - Temporary duty for the sole purpose of training or processing.
  - A permanent change of duty station.



**3.080 Waiver of Fees and/or Penalties (CVC §9562), *continued*****Deployed Military (CVC §9560), *continued***

- To qualify for deployed military renewal penalty waivers:
  - The application for registration renewal **must** be submitted with the appropriate fees **within 60 days after termination of deployment**.
  - The registered owner **must be**:
    - » » ordered to temporary military duty during a period when a Presidential Executive Order specifies the United States is engaged in combat or homeland defense, **and**
    - » » a member of the armed forces, armed forces reserve, or the National Guard who has been called to active duty or active service.
- Deployment **does not include** temporary duty for the sole purpose of training or processing **or** a permanent change of station.
- The registered owner **must** complete a *Statement of Facts* (REG 256) stating he/she is a member of the armed forces, armed forces reserve, or the National Guard and the termination date of his/her deployment.

**NOTE:** Only penalties incurred **during deployment** may be waived.

**3.085 Certificate of Planned Non-Operation (PNO) (CVC §§4604, 4604.5, and R&TC §10856)**

The vehicle owner is responsible for either renewing the registration or filing a *Certificate of Planned Non-Operation* (PNO–REG 102) and paying the PNO fee when his/her vehicle is not to be operated.

- A PNO **must** be filed by midnight of the registration expiration date to avoid a PNO late penalty, but may be filed as early as 75 days prior to the current registration date.
- A new PNO **is not** required to be filed each year, but renewal fees **must be paid on or prior to the date of first operation** to avoid a penalty.

**NOTE:** Vessels and trailer coaches **must be** currently registered at all times regardless of use.

- The PNO may be filed up to **90** days after the registration expiration date if the vehicle has **not** been operated in any manner, but a late PNO penalty is due in addition to the PNO fee.

**PNO Exceptions (CVC §4604[d])**

PNO requirements **do not** apply to vehicles:

- Which expire while in a dealer's, lessor-retailer's, or manufacturer's inventory **or** while being held pending a lien sale by a garage keeper or towing service operator.

**3.085 Certificate of Planned Non-Operation (PNO) (CVC §§4604, 4604.5, and R&TC §10856), *continued*****PNO Exceptions (CVC §4604[d]), *continued***

- Registered as part of an apportioned fleet **or** on a partial-year registration (PYR) basis.
  - See Apportioned Registration (IRP) Vehicles below.
- Of historic interest/value as described in CVC §§5004, 5004.5, 5004.6, or 5051 as long as the vehicle is not being operated.
- Identified as Special Equipment.
- That are stolen and unrecovered.
- Registered out of state.
- Issued a Nonrepairable Certificate.

**Apportioned Registration (IRP) Vehicles**

- IRP vehicles are subject to PNO **only** if deleted from the fleet and subsequently registered in California on a full-year or PYR basis.
- A CNO from the date of deletion is acceptable.

**Dealer, Lessor-Retailer, Manufacturer Inventory Vehicles (CVC §4604)**

- A PNO (or Certificate of Non-Operation [CNO]) is not required for a vehicle or trailer coach when:
  - the registration expires while being held in the inventory of a dealer, lessor-retailer, or manufacturer, **or**
  - transferred between dealers, if the application contains evidence that the registration was valid when the registered owner sold the vehicle/trailer coach to the dealer, lessor-retailer, or manufacturer.
- Acceptable evidence could be the date of release on the title, power of attorney, or bill of sale dated prior to the last expiration date.

<p><b>NOTE:</b> Vehicles on consignment, including those consigned to an auctioneer, <b>are not</b> exempt from PNO requirements.</p>
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- Penalties continue to accrue on vehicles that enter a dealer's inventory with expired registration.
  - The penalty **is not** frozen at the penalty rate due at time the vehicle entered the dealer's inventory unless the fees and penalties due are posted during that penalty rate period.
  - The fees for a vehicle that expires while in a dealer's inventory are due upon sale of the vehicle and **must be** paid within 30 days to avoid penalties. If sold more than once, fees are due within 30 days of the first sale date.

**3.085 Certificate of Planned Non-Operation (PNO) (CVC §§4604, 4604.5, and R&TC §10856), *continued*****Dishonored Checks**

- The PNO application is canceled if the PNO fee is paid by dishonored check.
- The applicant **must** register the vehicle or file a new PNO, if applicable.
- If a new PNO is submitted:
  - **Prior to** the vehicle's registration expiration date, only the PNO fee is due.
  - **Within 90 days after** the expiration date, the PNO fee and PNO penalty are due.
  - **91 or more days after** the expiration date, the vehicle **must be** registered and full-year fees and penalties are due.

**Lien Sale Vehicles (CVC §4604)**

A PNO or a CNO **are not** required for a vehicle on which the registration expires while being held pending a lien sale by the keeper of a garage or the operator of a towing service.

**Unavailable Records**

Before a PNO application can be accepted on a vehicle for which there is no record in the department's database (unavailable records), the application to restore the vehicle record must be submitted along with a vehicle verification.

See Chapter 7, Miscellaneous Originals.

**Vehicles Registered Under the Partial Year Registration (PYR) Program (CVC §9706[d])**

The PNO for a vehicle last registered PYR and **not** operated since the last PYR registration **must be** filed by December 31 of that *following* year.

**3.090 Certificate of Non-Operation (CNO) (CVC §4604.2 and R&TC §10856)**

If a vehicle has not been operated, moved, or left standing upon any highway subsequent to the vehicle expiration date and the vehicle is exempt from PNO filing, a *Certificate of Non-Operation* (REG 102) may be required upon registration of the vehicle.

- The *Certificate of Non-Operation* (CNO–REG 102) may be signed by the vehicle owner **or** the person in possession of the vehicle and/or who has knowledge of the vehicle's non-operation.
- A CNO **cannot be** signed by power of attorney and **cannot be** used when the vehicle **is** required to be currently registered or have a PNO status on record.

**3.090 Certificate of Non-Operation (CNO) (CVC §4604.2 and R&TC §10856),  
*continued***

- A CNO may be submitted for any period of past time, **not** future time, and **must** cover the beginning and ending dates of the period in question.

**EXCEPTION:** The CNO ending date for a PYR vehicle may be up to 30 days beyond date the fees are paid (“Date Fees Received”).

**CNO Required**

A CNO **is required** when renewal fees are being paid, **and**:

- The vehicle has been exempt from the PNO requirements (example: vehicle of historical interest) and has not been operated since the expiration date.
- A vehicle registered PYR has not been operated since the PYR expiration.
  - Example:** PYR fees are paid until April 30. The vehicle has not been operated since that date and fees are being paid in June for four more months. Fees must be paid prior to first operation.
- The vehicle was deleted from an IRP fleet and has not been operated since the date of deletion.
  - A *Statement of Facts* (REG 256) may include the fact that the vehicle has not been operated since the date of deletion and a CNO will not be required.
- The vehicle is no longer on the department records (unavailable records).
  - The *Statement of Facts* (REG 256) submitted for the unavailable record requirement may include a statement that the vehicle has not been operated since   (date)   and no CNO will be required.
- A commercial vehicle is going from PNO status to registered status with the date of first operation as a future date.
  - The CNO date can be up to 75 days beyond the Date Fees Received.
- A PYR vehicle is applying for PNO status.
  - The CNO date can be up to 75 days beyond the “Date Fees Received” for PYR vehicles.
  - A PNO application cannot be submitted on a PYR vehicle until the year *following* the last PYR registration.

**CNO Not Required**

A CNO **is not** required:

- From the owner who traded the vehicle to the dealer.
- For a vehicle held in the dealer’s inventory or transferred between dealers if the application contains evidence that the registration was valid when sold by the registered owner to the dealer.
  - Evidence of valid registration could be the date of release on the title or bill of sale prior to the registration expiration date.

**3.090 Certificate of Non-Operation (CNO) (CVC §4604.2 and R&TC §10856),  
*continued***

- For a vehicle moved out of state on a trailer or with a moving permit, but **not** registered in another state, that returns to California in a subsequent registration year.
  - A *Statement of Facts* (REG 256) with the dates the vehicle left and returned to California must be part of the application.
  - Fees **must be** paid prior to the entry into California unless the vehicle reenters on a trailer or with a permit.
- For a vehicle moved out-of-state on a trailer or with a moving permit, but **not** registered in another state, that returns to California in the same registration year.

**Trailer Coaches**

A CNO **cannot be** used for a trailer coach, **unless** it was:

- unoccupied and held as part of a dealer's or manufacturer's inventory for sale.
- moved in conformance with the *Vehicle Code* provisions relating to dealers, manufacturers, or transporters. (CVC §§11715 and 11716)
- destroyed by fire, flood, or other disaster.
- located outside of California.
- owned by a member of a military service and located on a military installation.
- owned by an Indian while parked off-road on a Federal Indian Reservation or Rancheria.
- located in a federal enclave (Cabrillo National Monument [except the area within Point Iowa traffic circle], Fort Point National Historic Site, Lassen Volcanic National Park, Sequoia Kings Canyon National Park, or Yosemite National Park.).

**NOTE:** Vehicles towed on a highway by a tow vehicle pursuant to a court order or by order of a peace officer are exempt from registration and license fees. (CVC §4000)

The sheriff, marshal, or peace officer who authorized the movement must complete a statement giving the authority for movement. This statement may be on the *Certificate of Non-Operation* (REG 102) or on a *Statement of Facts* (REG 256).